



## Reserve Lists for Indices with a Fixed Number of Constituents FTSE/JSE Africa Index Series

27 January 2014

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In order to maintain consistency, and after ratification by the FTSE/JSE Advisory Committee at their meeting on 11 December 2013, FTSE/JSE announces that reserve lists will be added to all indices with a fixed number of constituents (excluding the RAFI 40 and Shariah 40).

The following associated rule changes will take effect from **March 2014**:

### **Current Rule**

#### **5.3 Rules for Insertion and Deletion at the Quarterly Review**

5.3.6 A constant number of constituents will be maintained for the FTSE/JSE Top 40 Index and the FTSE/JSE Mid Capitalisation Index. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

### **New Rule**

#### **5.3 Rules for Insertion and Deletion at the Quarterly Review**

5.3.6 A constant number of constituents will be maintained for the FTSE/JSE Top 40 Index, the FTSE/JSE Mid Capitalisation Index, the FTSE/JSE Industrial 25 Index, the FTSE/JSE Resources 10 Index, FTSE/JSE Financial 15 Index, the FTSE/JSE Financial and Industrial 30 Index, the FTSE/JSE AltX 15 Index, the FTSE/JSE SA Listed Property Index and the FTSE/JSE Capped Property Index. Where a greater number of companies qualify to be inserted in an index than those qualifying to be deleted, the lowest ranking constituents presently included in the index will be deleted to ensure that an equal number of companies are inserted and deleted at the periodic review. Likewise, where a greater number of companies qualify to be deleted than those qualifying to be inserted, the securities of the highest ranking companies which are presently not included in the index will be inserted to match the number of companies being deleted at the periodic review.

## **Addition of Rule**

### **5.5 Reserve Lists**

5.5.2 FTSE/JSE will also be responsible for publishing the three highest ranking non-constituents of the FTSE/JSE Industrial 25 Index, the FTSE/JSE Resources 10 Index, FTSE/JSE Financial 15 Index, the FTSE/JSE Financial and Industrial 30 Index, the FTSE/JSE AltX 15 Index, the FTSE/JSE SA Listed Property Index and the FTSE/JSE Capped Property Index at the time of the periodic review.

## **Current Rule**

### **6.1 Removal and Replacement**

6.1.3 Where the company to be removed is a constituent of the FTSE/JSE Africa Index Series apart from the indices in Rule 6.1.2 which has a fixed number of constituents (the FTSE/JSE Resources 10 Index, the FTSE/JSE Industrial 25 Index, the FTSE/JSE Financial 15 Index or the FTSE/JSE Financial and Industrial 30 Index), the replacement company will be the highest ranking non-constituent on the day of the evaluation that qualifies for the index as per its definition in Rule 4.5.

## **New Rule**

### **6.1 Removal and Replacement**

6.1.3 Where the company to be removed is a constituent of the FTSE/JSE Africa Index Series apart from the indices in Rule 6.1.2 which has a fixed number of constituents (the FTSE/JSE Resources 10 Index, the FTSE/JSE Industrial 25 Index, the FTSE/JSE Financial 15 Index, the FTSE/JSE Financial and Industrial 30 Index, the FTSE/JSE AltX 15 Index, the FTSE/JSE SA Listed Property Index or the FTSE/JSE Capped Property Index), the replacement company will be the highest ranking company in the relevant Reserve List as described in Rule 5.5.2.

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